

Defined Contribution Risk Adjuster Board Minutes

State Office Building Room 3112

Approved

July 17, 2012

Attendees: Jim Pinkerton, *Regence*; John Borer, *PEHP*; Dave Jackson, *FirstWest Benefit Solutions*; Nancy Askerlund, *UID*; Jim Murray (Proxy for Mark Brown), *SelectHealth*; Tomasz Serbinowski, *UID*; Perri Babalis, *Utah Attorney General*; Paul Anderton, *UID*; Patty Conner, *OCHS*; Jill Goodmansen, *OCHS*; Norman Thurston, *State of Utah*; Frank Kyle, *Altius*; Gabriela Benitez, *GBS Benefits*; Brad Kuhnhausen, *Aarches Co-Op*; Shyam Kolli, *Milliman*;

Kim Miller, *UHC* (via telephone); Lori Koehler, *bSwift* (via telephone); Dane Eppler, *HealthEquity* (via telephone);

- I. Meeting called to order at 1:13 p.m.
- II. Prior months meeting minutes approved with corrections noted.
- III. Patty Conner from OCHS gave an update regarding the Exchange – Dashboard information handed out can also be found at www.exchange.utah.gov.
 - a. Exchange Statistics
 - i. There are 2 additional groups for July. Participation grew by 46 employees.
 - ii. 19 of the 20 groups renewed for July.
 - iii. There were 18 groups that quoted for the month of July, 3 of which did not meet participation.
 - iv. Reasons for groups not joining the Exchange: Renewed with current carrier, did not want to provide tax information, renewal rating more favorable, and no response from the group/broker.
 - v. Target market for the Exchange is the uninsured groups. OCHS wants to make sure the correct messaging gets out to these groups.
 - vi. Jim Murray stated the numbers were expected to drop in August due to the new underwriting process.
 - vii. Sales conversion is at 33.5%.
 - viii. 31% of groups previously did not offer group health coverage. This is since the beginning of the Exchange.
 - ix. Marketing - Working on potential branding names and have it narrowed down to 4. Have decided not to make a decision yet. Still working on this and hope to have finalized the end of this month and have plan in place by first of August.
 - x. Working with rural connection groups to do presentation to broker groups and employers. Planning to go to Price, Moab and Vernal for information to the employer and broker groups.
- IV. Jim Murray (Proxy for Mark Brown) with SelectHealth
 - a. Risk Adjustment & Premium Allocation subcommittee report
 - i. Call with Paul Anderton and group on Friday. Carriers have the necessary information to provide to the APCD. Carriers going through process of getting UHE ID numbers to get information back. Using same FTP site that eligibility

and claims are sent. Need to test and make sure received correctly. Carriers are ready to go and can provide sometime this week. Paul Anderton stated the process should be that they are getting group ID's and letting APCD review the information and send out.

V. Kim Miller with United HealthCare

a. Underwriting Subcommittee Report

- i. November renewals received today. Carriers working on these and review at the end of the month meeting which will be the first of August. Will change the meeting cycles to the 2nd and 4th Wednesdays of the month. 13 groups set for November and sign off of risk factors and send to John.
- ii. Surcharges in open market for groups moving off anniversary - Jim Murray talked with Tanji who stated the state has an all or nothing policy. The policy is understood to apply surcharge fee to all groups coming off anniversary or no charge will be applied to any groups. If surcharge is considered, need to reach out to the DOI. Nancy Askerlund added DOI stance - Plan of operations needs to be updated. Surcharge is applied to groups, and carriers need to put in manuals. Brad K. stated this charge was only intended to be applied to max rated groups. Jim Murray added any groups in both markets would automatically get hit with surcharge regardless of risk. Hard on the consumer to penalize groups that just want to move to a month that better fits them. Concerns over gaming the surcharge and underwriting. Dave Jackson stated the process outside the Exchange is not uniform. Jim Murray stated if this is wanting to be pursued, to have document sent to carriers for review per Tanji. Kim Miller added the Plan of Operations does not state carriers can charge this fee. Still need to amend Plan of Operations to remove restrictions so the Exchange matches the outside market and allow carriers to charge surcharge fee.
- iii. Waivers received during OE period - Recommend if waivers are received from applicants during the open enrollment period and there is a 10% or greater change in group membership. Carriers will have the ability to re-assess the rates for the group. This has to do with bellybuttons (employees and dependents) who waive during open enrollment. The reason for the waiver does not matter in the re-rating. There is still concern in administering this new process. Patty Conner stated she needs to still discuss with bswift, eHealthApp, and billing. Not sure what the change will be and no money to do so. Needs to be a manual process and make the underwriting work group aware of this. Will discuss on the carrier round table tomorrow. Will also discuss in the underwriting work group meeting tomorrow. Kim Miller stated this becomes a lesser issue in the individual risk factor and group risk factor come 2014, but still could affect rates based on the demographic factors come 2014. Board would like to proceed and table this until August meeting and give work group and round table groups/OCHS time to come up with what is required to implement this

change. Patty Conner stated groups that need to be re-rated will get the file held to the carriers. Another calculation will need to be done for the 75%. One additional calculation for the 10% change. Kim Miller added the rate change would only be done once.

- VI. Dave Jackson with FirstWest Benefits
 - a. Marketing Subcommittee Report
 - i. Still waiting for OCHS to get underway and help with the marketing launch.
- VII. John Borer with PEHP
 - a. Legal Subcommittee
 - i. No update, no meeting this last month.
- VIII. Nancy Askerlund from Insurance Department
 - a. No Update.
- IX. Jim Pinkerton
 - a. Board Elections – Replacement for Mark Brown has not yet been done. Board will delay until replacement is made. Chair and vice chair will be re-elected.
 - b. 2011 retrospective settlement – John Boer stated large claim pooling, only look at claims between \$75 thousand and \$250 thousand. Received all information from carriers but do not have run out through 6/30/12. Carrier self-reported and data extract from bswift. Regence okay using self-reported, SelectHealth okay but want to see the bswift figures, UHC is not sure but will give response the first of August. UHC not okay using data through 5/31/12. UHC will have everything done by the first of August. Once final numbers are received, can send out to board for review. Need to provide numbers by August 28th meeting. Want to have a quick electronic meeting once UHC provides numbers. Jim will submit agenda to Nancy and quick call to adopt settlement. Will meet the week of the 13th of August.
- X. Jim Murray
 - a. Individual market to come up with around \$80 million regarding HIPPA Utah funding. Need discussion on this topic. What portion of that gets put in the rates come 2014. Depending on how the board is structured going forward. Still need to be discussed in the work groups or board meetings.
- XI. Next Meeting will be August 28, 2012 at 1:00 pm
- XII. Meeting adjourned at 2:43 p.m.